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July 20, 1981
Volume 128,
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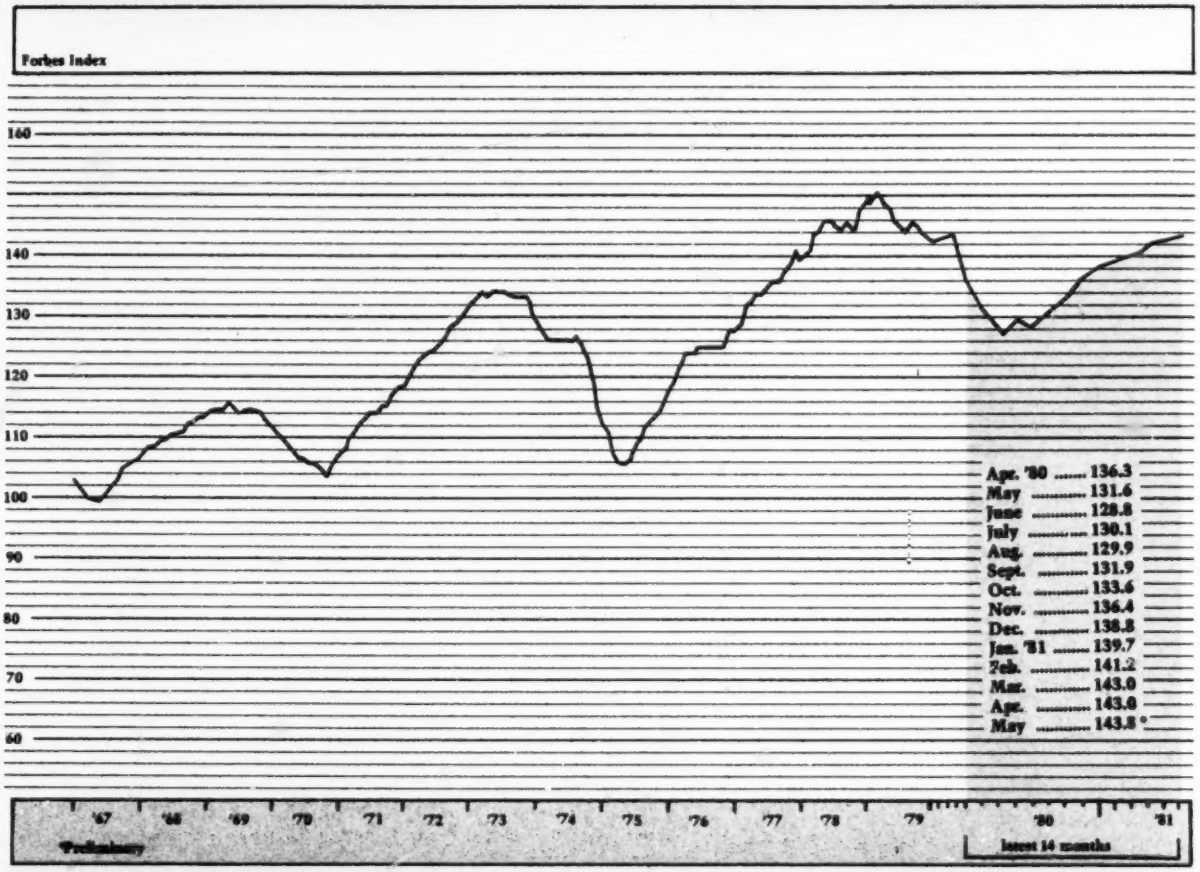
The Forbes Index



The Forbes Index Components

Stalled on the way up? Minor revisions show that the Forbes Index was unchanged from March to April. This is the first time it has failed to register a month-to-month gain since September. Thus, the downturn many experts predict could be getting closer. Preliminary figures show that the Index was up marginally in May, but when the three remaining components are available that could disappear.

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements:

Total industrial production

New claims for unemployment compensation

The cost of services relative to all consumer prices

The level of new orders for durable goods compared with manufacturers' inventories

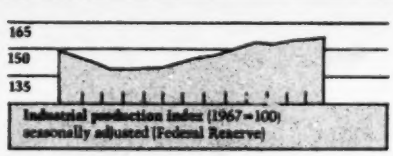
Total retail sales

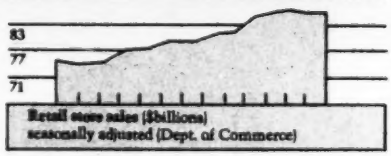
New housing starts

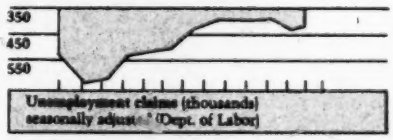
Personal income

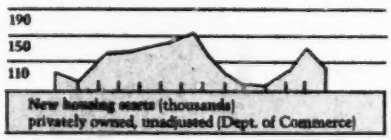
The change in the amount of consumer installment debt outstanding

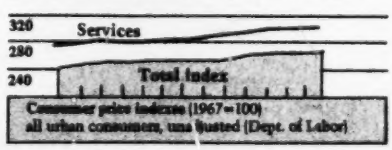
To measure these eight elements, FORBES monitors 11 series of U.S. government data. The last 14 months' data for each series is presented at right.

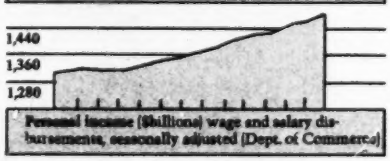


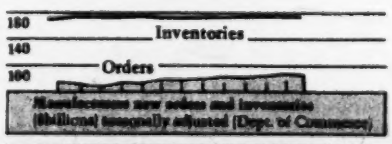


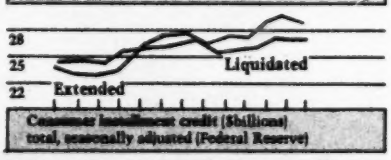












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funds to his savings component at will, as long as he keeps the face amount of his term insurance higher than the policy's cash value. In addition, withdrawals can be made with no tax penalty. By comparison that makes whole life's "cheap" policy loans look expensive.

The bad news, however, is that if universal really gets rolling, its effect on the insurance industry could be traumatic. The big mutuals fear they might "cannibalize" their own portfolios by replacing high-margin whole life policies with less profitable universal life. "It's a classic case of margin squeeze," says one analyst. "There is a possibility that you could see some major companies on the brink of bankruptcy."

Some major insurance companies obviously don't want this to happen. "They are lobbying intensely with the IRS to have the tax ruling on universal changed," says Denis Callaghan, an analyst at Dean Witter Reynolds. In that January decision—stated in a private letter to Hutton—the IRS decided that universal is an insurance rather than an investment vehicle.

"That decision really opened the floodgates," says Richards, a 51-year-old Englishman who sold his company, then called Life Insurance Co. of California, to Hutton in 1978. Transamerica Insurance, Occidental of North Carolina, First Penn-Pacific and Life Insurance Co. of Virginia have already joined Hutton in the marketing of universal life. Another 50 companies are reportedly gearing up to offer the product, and scores more, including all of the giants, are studying it. Over 40 states have approved a version of the policy.

If Richards is correct, and unless the insurance giants move fast, the winners would be those smaller, newer companies already in the game. "We have nothing to lose and everything to gain," he explains. Their aggressiveness is threatening to set off a free-for-all within the industry. In May, for example, a major company, the Hartford Insurance Group, announced that it would offer universal. Hartford should almost certainly drain some whole life business from other companies.

Here's why: In recent years the industry has been battered by the drastic decline in sales of whole life. Young adults, unwilling to accept the 3% to 4% annual returns it offers, are buying lower-cost term insurance and investing the difference on their own. Recently sales of term insurance surpassed those of life for the first time. And universal life should reduce the demand for whole life still more.

The biggest losers in all this may be individual insurance agents. "The spread of universal means the end of the agency force as we know it," predicts one insurance executive. He adds that today's army of 250,000 agents could shrink dramatically. The reason is that agents who pocket first-year commissions of 55% or more on whole life sales simply won't be able to survive if universal eats into their market. Commissions on universal are quite low. In fact, they are only slightly higher than commissions on term insurance.

Indeed, the tax benefits of universal may make it so popular that it won't require the personal "sell" necessary for most insurance products. "This is something that stockbrokers who are used to high-volume, low-commission rates may be much more at home with," says Underhill of New York Life. Indeed, Prudential, which recently acquired Bache Group, is thinking about joining its customers' insurance payments with a cash management account planned by the brokerage firm.

The Bache acquisition could provide Prudential with a mass marketing arm for universal, and simply by setting up another subsidiary, the parent mutual also could capture life insurance tax benefits. "It is conceivable that we may see subsidiary companies grow to enormous size as the parent mutuals grow smaller," says Underhill.

It is no wonder that so many life insurance executives are a bit befuddled. "These guys are like deer with a spotlight on them. They don't know what to do," say Denis Callaghan of Dean Witter.

But doing nothing is a luxury they may soon be unable to afford. Listen to the ever-optimistic Richards: "Universal life will probably account for 90% of all nonterm life insurance sales by 1990." ■

With the money gone out of refining and marketing, Wall Street is now giving the big oil companies a warning they never thought to hear from friends: Divest!

Break up big oil?

By Carol E. Curtis

IT'S ONE THING WHEN a scapegoat hunter running for President hollers, "Break up big oil," as Ted Kennedy did after OPEC started driving oil prices toward the moon. It may be unpleasant, but it passes.

It's quite another thing, though, when Wall Street, where some of the industry's best friends hang out, starts saying it too. That's more than unpleasant; it can be hazardous to a company's survival.

That astonishing message—break up the big oils—comes through loud and clear in the prices investors are now willing to pay for oil stocks. Most oil stocks, to be sure, have taken a beating over the last year or so as rising crude supplies and slackening demand have made it tougher to pass along higher costs to consumers. But obscured in the fall have been some sharp and, to the big companies, insulting distinctions. Punished the most, as the table on page 33 shows, have been the fully integrated oil companies, those with extensive refining and marketing operations, as well as exploration and production. Far less hurt have been companies concentrated in exploration and production only.

The market is saying, in effect, that refining and marketing are a drag on an oil company's stock price. It's saying that a lot of the majors would be worth more in pieces than integrated. Says Kurt Wulff, an oil analyst with Donaldson, Lufkin & Jenrette, "Inves-

tors clearly believe that concentrated companies are more efficient."

Wulff, a tall (6 feet 2) model of Wall Street rectitude (Harvard M.B.A., registered Republican), has compared the stock prices of integrated and nonintegrated companies with the "present value" of their oil and gas properties—the present value being what they would fetch if they were sold separately, free of the companies' other operations. The numbers are astonishing. For ten large integrated companies, Wulff found that current stock prices averaged less than one-third of their theoretical present value. For ten exploration companies, he found, stock prices average almost four-fifths of their present value. "The more diversified the company," Wulff notes, "the bigger the discount."

These undervalued companies are sitting ducks for cash-rich outfits on the prowl. Edgar Bronfman, for one, chairman of Seagram Co. Ltd., appears to be playing the assets-at-discount game like a virtuoso. He sold oil and gas properties to the Sun Co. for $2.3 billion last summer, which had been purchased by Seagram in 1963 for $266 million. The sale price to Sun worked out to about $12 per barrel. Bronfman last month made a $2.5 billion bid for 41% of Conoco stock. That price works out to just $6 per barrel equivalent for a 41% stake in Conoco's energy properties. Thus Conoco, among the smaller of the big integrated outfits, is learning the hard way what can happen when one's stock is selling at a huge discount from its underlying value.

What is happening to Conoco can happen to others. One of the most inviting targets, Wulff reckons, may be Marathon Oil, a small integrated company currently selling at a big discount. At $60 a share, Marathon is going for 29% of its theoretical present value. In fact, scuttlebutt among followers of oil stocks is that someone has been quietly buying Marathon stock in 400,000 to 500,000 share blocks. The buyer is rumored to be SEDCO, a Dallas-based drilling company.

To defend itself against takeover, Marathon could sell off its overseas operations, including refining and marketing properties. Wulff thinks they might be worth $1.3 billion to someone who isn't wholly disenchanted with that end of the business. The proceeds could then be used, say, to repurchase 21 million shares of Marathon stock at $60 per share, and thereby reduce the total outstanding by more than one-third. Wulff thinks that, unencumbered by refining and marketing assets, the stock price would climb much more than one-third, perhaps enough to fend off the likes of Seagram. After all, if Marathon had one-third less common outstanding, the present value would be $290 per share. Four-fifths of that—what the average nonintegrated oil is fetching—is $232 per share.

Failing to find a buyer, Marathon could simply spin off its refining and marketing operations as a separate entity. It would get no cash that way, but it would still have good hopes of closing up its dangerous discount.

With $8.7 billion in revenues, Marathon is the smallest of the widely held U.S. integrated oils and would thus be more likely to get a quick lift from divestiture. And, says Wulff, "If smaller companies are successfully restructured, it's not a much bigger step to go after Gulf." Gulf, as it happens, is selling at a discount only slightly less than Marathon's.

Predictably, Marathon is not keen for the idea. Said a spokesman last month: "We don't believe the [divestiture] approach is in the best long-term interests of our shareholders." Nor is there much chance that the bigger integrated oils will take the divestiture step on their own. As a practical matter, salaries at the top are determined largely by sheer size. Beyond that, with Reagan in the White House and Ted Kennedy sitting in a Republican Senate, Washington isn't likely to force them to do it.

Still, the idea of divestiture has the powerful logic of the market going for it. At least one of the larger integrated oil companies, in fact, is voluntarily selling off some refineries. Last November Sun sold a 48,000-barrel-a-day refinery in Oklahoma. This April it put a 60,000-barrel-a-day facility in Corpus Christi on the block. Sun makes no bones about the reason. Most of Sun's 52% drop in earnings in this year's first quarter was due to poor performance in refining and marketing.

Most integrated companies are still choosing to mothball their refineries and wait out the down market rather than sell them. But Seagram's bid for Conoco is a dramatic example of the danger in such a strategy. "The best defense against moves like that is to get your stock price up on your own by restructuring," Wulff says. "The most secure companies can still do what they want. But the less secure will be under growing pressure to divest. If they don't do it on their own, someone will do it for them." ■

Better off in pieces?

How much of a drag refining and marketing are on integrated companies' stocks is shown in the numbers below. The integrated oils are selling at much deeper discounts from the value of their oil and gas properties than nonintegrated companies. The judgment is confirmed in the higher premiums over understated book value for nonintegrated companies.

Companies	Recent stock price	Present value*	Stock price as % of present value	Book value	Stock price as % of book value
Integrated					
Sun	33⅞	$130	26%	$34.38	99%
Getty	66½	250	27	50.44	132
Standard of Indiana	55¼	205	27	32.10	172
Standard of Ohio	48⅛	170	28	18.57	259
Atlantic Richfield	47	170	28	29.96	157
Phillips Petroleum	37¾	130	29	32.44	116
Marathon	60	210	29	31.97	188
Cities Service	47¼	130	36	30.96	153
Shell	44⅞	120	37	26.21	171
Conoco	65	147	44	42.45	153
Nonintegrated					
General American Oil	37¼	67	56	15.75	237
Natomas	26½	43	62	16.17	164
Southland Royalty	24¾	40	62	2.30	1,070
Louisiana Land	36⅜	55	66	19.63	185
Superior Oil	184⅛	270	68	71.04	260
Williams Cos	28⅜	40	71	32.49	87
Mitchell Energy	28½	32	89	5.96	478
Helmerich & Payne	44	49	90	9.28	474
Mesa Petroleum	25¼	28	90	7.59	333
Texas Oil & Gas	35½	25	142	5.50	645

*Per-share value of oil and gas properties if sold separately. *Source: Donaldson, Lufkin & Jenrette.*

1980? "Paine Webber swept it under the rug," Black says flatly. "It's about as dumb as what Nixon did." He has filed claims against both Becker and Paine Webber, charging them with failing to exercise due diligence.

Both firms deny it. "Our own investigation indicated that our firm should have no liability," says a Paine Webber spokesman. A.G. Becker? "There is no way that we could have known what he was doing," says Becker Vice President Suzanne Pederson. "We had a responsibility to execute and clear trades for Barclay and we did that. Barclay was our customer—not Greenman."

These arguments don't sit well with the investors. "My funds went to Becker, came from Becker, and were to be accounted for by Becker," says Don MacLean, a former Jacksonville city councilman who, with friends, invested $6.7 million. "Becker contracted for profit to provide the financial responsibility and they got it."

Of course, the investors could have discovered they were being taken for a ride by calling Becker to verify their account numbers and mailing addresses. This never seems to have occurred to them. Still, says Tom Tew, attorney for a number of the investors, "Becker's internal control should have noticed the fictional account numbers on the checks."

What was the purpose of all this double bookkeeping? Black says his records show that between December 1980 and April 8 of this year Greenman withdrew $4.5 million from his Becker accounts. Black is certain that Greenman has the money, and he wants it all back.

Greenman is not talking, and his lawyer, Miami attorney Robert Paul, is not saying much. Greenman is cooperating in good faith, says Paul; he is not currently under indictment and could leave the country at any time. "But he has chosen to stay and straighten this out." Paul suggests that some of the blame belongs on the shoulders of the general partners. "There were 400 investors in the program and Greenman only knew 40 of them. I think there's a pervasive greed among these investors that is hard to be sympathetic with."

And Allen Wolfson, the investor with the checkered past who first brought the police to Greenman's trail? Wolfson got out whole when Greenman paid him off. But talk about double jeopardy! Wolfson put $500,000 of the money in an unrelated computerized commodities trading scheme called the Chilcott Futures Fund, which promised returns as high as 100%. Still following Wolfson's trail, the FBI raided Chilcott June 15 and found that, while it was reporting assets of close to $100 million, it actually had only $6.3 million on account, with untallied additional millions in oil, gas and mining investments. FBI Special Agent Alfred Scudieri hints that yet another fund might be closed down soon. "Our first reaction to Greenman was that this whole thing was unusual," he said. "Now our opinion is changing. We're probably only scratching the surface." ■

Some 270 million live in what are called the "least-developed countries." Their future looks worse than the present.

Poorest of the poor

By Desiree French

HERE ARE THE 30 poorest nations on earth: 20 are in Africa, the others scattered along the ragged edge of the world from Yemen to Haiti. Some 270 million live in these 30 nations, with not much of a present and less of a future.

Life has not been getting better in the 30. Their economies depend on the food they grow—83% of the labor force work the land. Worse, agricultural production per capita has decreased in the past two decades. In some cases total food production—not just per capita output—has actually fallen. In Ethiopia, for example, total food production dropped 16.5% between 1974 and 1979.

The Brandt Commission report, set up at the suggestion of then-World Bank President Robert McNamara, makes the point better than FORBES

A sugar cutter in Haiti
Will help from outside be even harder to come by?

could: "Each of them has a slim margin between subsistence and disaster, and they are all circumscribed by their ecology and their dependence on international market forces beyond their control."

All these countries "exist in a fragile tropical environment which has been upset by the growing pressure of people. Without irrigation and water management, they are afflicted by droughts, floods, soil erosion and creeping deserts, which reduce the long-term fertility of the land. Disasters such as drought intensify the malnutrition and ill-health of the people, and endemic diseases undermine their vitality. Their poverty, harsh climate and isolation all make it harder to explore their resources, especially minerals. The sun, which might be a valuable source of cheap energy, is presently a curse, sapping their vigor while they are forced to use relatively expensive conventional forms of energy. They have to cut down their forests, degrading the environment, in order to survive."

The economies of these least-developed countries, as measured by their Gross Domestic Product (GDP), over a 19-year period have grown at an average annual rate of just 0.7% compared with 2.9% for what are called the developing countries as a group. And, education is not a resource. The literacy rate is 20% or less for those over 15.

Man-made disasters compound their troubles: Soviet invasion in Afghanistan, civil war and Libyan intervention in Chad, Idi Amin's heritage in Uganda, assassination in Bangladesh, war and revolt in Ethiopia and Somalia, coups, corruption and chaos.

"The situation grew worse in the 1970s when the price of food, fuel and manufactured imports needed for development increased sharply while the purchasing power of their export earnings, often derived from a narrow base of one or two commodities, remained stagnant or even declined," says a U.N. newsletter.

The poor 30 are not major consumers of energy—an annual average 53 kilograms of coal per capita compared, for example, with 6,362 kilograms in the industrialized West. But the prospect of climbing oil prices long term will make progress difficult.

Also, the world's charity-development aid, subsidized loans, grants and the like may be harder to come by in the future as the richer nations feel themselves squeezed.

Population pressure continues with average annual growth 3 to 4 times that in the industrialized nations.

The U.N. will hold a conference on the 30 poorest in September. It will be held in Paris, of course. ■

Basic indicators for least-developed countries

Country	Population (millions) 1979	GDP per capita 1978	GDP per capita annual average growth rates 1960-1979	% of labor force in agriculture 1979	Energy: Consumption per capita (kg. of coal equivalent) 1978	Health: Physicians per 100,000 population 1977[1]	Education: Secondary school enrollment ratio 1977[1]
Afghanistan	15.5	$241	0.7%[2]	78%	47	5.0	7%
Bangladesh	86.6	118	1.4	84	43	7.9	23
Benin	3.5	224	0.8	46	56	3.7	11
Bhutan	1.3	103	—	94	—	—	1
Botswana	0.8	632	3.6	81	—	9.6	20
Burundi	4.4	146	–1.6	84	12	2.0	3
Cape Verde	0.3	150[3]	–1.6	57	143	12.9	—
Central African Republic	2.0	248	–0.9	88	44	5.7	9
Chad	4.4	188	–1.4	84	22	2.4	3
Comoros	0.3	248	1.0	64	52	7.2	7
Democratic Yemen	1.8	316	–3.0[2]	59	523	12.6	28
Ethiopia	30.4	143	0.6	80	20	1.4	8
Gambia	0.6	244	1.1	78	107	7.4	12
Guinea	4.9	262	–0.3	81	91	6.5	14
Haiti	4.9	278	0.5	67	57	16.8	9
Lao People's Dem. Republic	3.6	83	0.1[2]	74	60	4.6	14
Lesotho	1.3	145	0.1	84	—	5.4	15
Malawi	5.8	175	2.9	84	52	2.1	1
Maldives	0.2	150[4]	—	—	—	6.4	—
Mali	6.5	131	–1.2	87	30	4.2	9
Nepal	13.7	119	0.3	93	11	2.8	14
Niger	5.2	220[4]	1.8	89	38	2.4	3
Rwanda	4.7	188	1.5	90	17	2.7	2
Samoa	0.2	520	—	60[5]	187	34.7	—
Somalia	3.5	130[4]	0.3	81	99	6.4	4
Sudan	17.9	320[4]	–0.1	77	172	11.5	16
Uganda	13.2	280[4]	–0.8	81	48	3.6	7
United Republic of Tanzania	18.0	263	2.9	82	65	6.5	3
Upper Volta	6.7	126	0.6	82	25	1.8	2
Yemen Arab Republic	5.8	447	1.9[2]	75	53	7.2	3
All least-developed countries	267.9	201	0.7	82	53	5.9	12
Socialist countries of Eastern Europe	375.7	(3,681)	5.4[6]	21	5,477	257.7	72
Developed market economy countries	780.5	7,922	3.4	9	6,362	159.5	86

[1]Or latest year available. [2]1960–1978. [3]1977. [4]Net material product. [5]1976. [6]World Bank estimates of GNP per capita in 1978.

Source: UNCTAD secretariat based on data from the U.N. statistical office.

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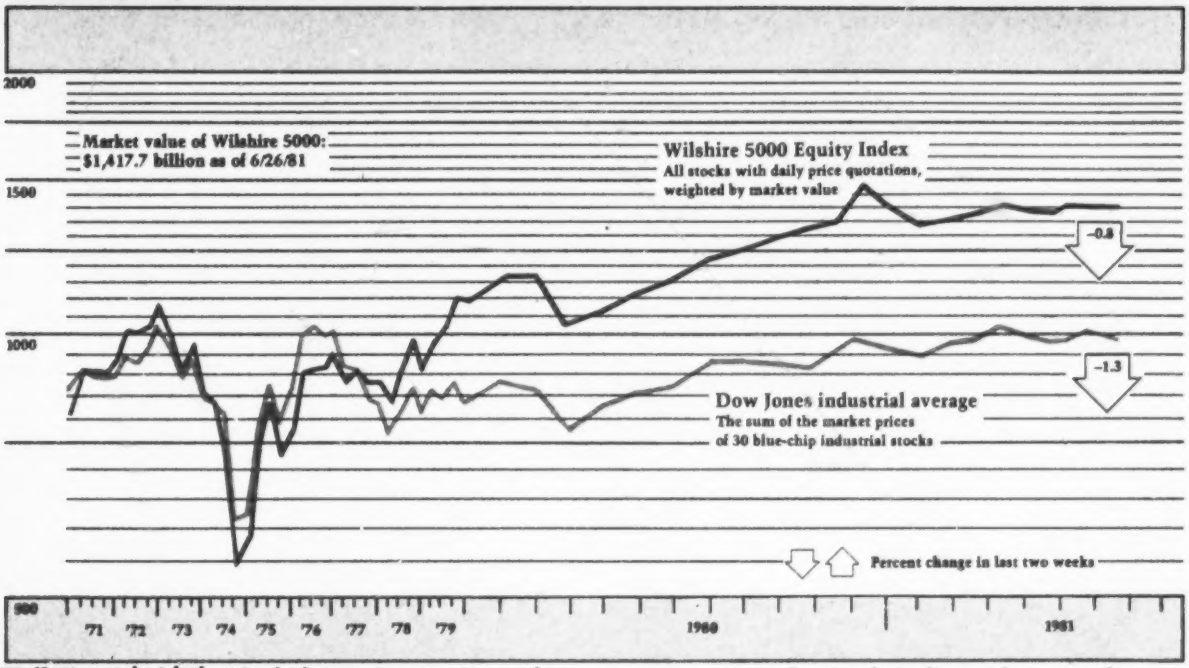
The Forbes/Wilshire 5000 Review



Wall Street is hitting turbulence. Some gains made in the late spring rally disappeared during the last two weeks. The Dow declined 1.3%, but this market indicator does not tell the whole story. The Wilshire Index fell in value by almost $19 billion dollars. However, that represents only a handful of Hunt fortunes, and the market is still capitalized at more than $1.4 trillion.

Investors are still waiting for proof of a decline in interest rates. They have been getting mixed signals in interest rates and energy. There had been euphoria over prospects for cheaper energy. Egypt, Norway, the U.K., Ecuador and Peru announced crude oil price reductions, but Mexico partially rescinded its cutback. Then came ominous rumors that Saudi Arabia might cut production.

Still, energy stocks, which had been out of favor, may look attractive again. The ASE, weighted with oils, was the only index to make it through the last two weeks with a gain. Over four weeks, the Dow showed a slight gain and the NYSE Composite broke even. Other indicators were down. The biggest decline came from NASDAQ stocks, which fell 1.7%.

FORBES' five key investor yardsticks show the pullback was most pronounced with speculative shares, those with high volatility and high multiples. But investors also shied away from low volatility and high yield issues. "Middle of the road" opportunities are back in style.

Close-up On The Equity Markets

Performance of five leading indexes

Percent change	Wilshire 5000	Dow Jones industrials	NYSE Composite	ASE Market Value Index	NASDAQ Composite
in last 4 weeks	–0.5	0.1	0.0	0.5	–1.7
in last 52 weeks	19.0	–12.6	16.0	27.6	38.1

Stock performance based on five key investor yardsticks

Percent change	Volatility *		P/E multiple		Dividend yield		Growth profile†		Share price	
	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–0.9	3.0	–4.1	1.5	5.4	0.3	–0.7	2.7	–0.8	2.1
in last 52 weeks	64.8	16.7	56.0	30.6	9.7	57.4	56.9	25.8	24.6	61.4

* A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations; low-volatility issues are more stable.
† A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 6/26/81. Prepared by Wilshire Associates, Santa Monica, Calif.

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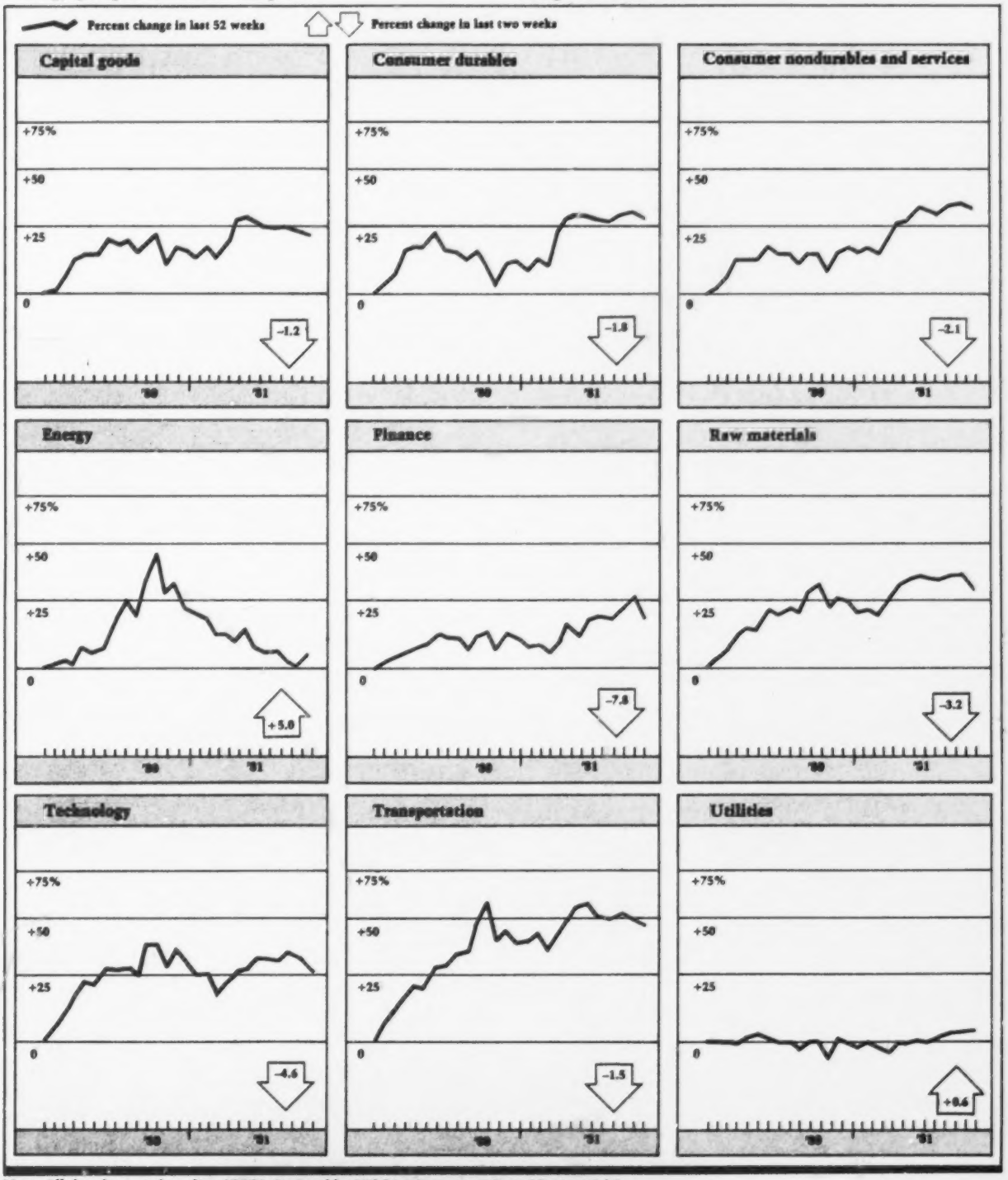
Time out for profit taking. Investors decided that the economy wasn't strong enough to push the market to even higher levels—so they cashed in on some of the gains racked up this past spring. Finance, for example, has been a strong sector for several weeks, but in the current period it dropped a hefty 7.8%. In contrast to the dismal performance of seven of the nine sectors, however, the energy group rebounded a sharp 5%.

Part of that gain stems from merger discussions involving two heavily capitalized NYSE stocks, Conoco and Cities Service, and the subsequent $73-per-share tender offer for Conoco by Seagram. Gains by the ASE energy stocks also helped to pump up the entire group. Utilities, too, managed to eke out a 0.6% gain. Still, the 52-week performance of both utility and energy stocks continues to lag the rest of the market.



Note: All data for periods ending 6/26/81. Prepared by Wilshire Associates, Santa Monica, Calif.

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Here's a recipe for finding discounted stocks with mouth-watering growth rates.

Statistical Spotlight

A dash of 20-10-10

By Steve Kichen

STEPHEN LEEB, editor of the *Investment Strategist* newsletter, prefers to have his cake and eat it too. Sure, Leeb likes to see plenty of growth in his stocks, but he doesn't want to pay a premium for it. "Most of the super highflyers have a price/earnings ratio about equal to their growth rate. "What in many cases is a more sensible strategy is to find stocks with sustainable high growth but selling at a discount," says Leeb.

To identify reasonably priced growth companies, Leeb looks for stocks that meet some very stiff criteria. To start, he wants earnings growth that has averaged at least 20% for the past five years. Then he requires consensus earnings estimates to show at least 10% growth for the next two years. Finally, a present P/E ratio of 10 or less.

Of the more than 1,000 stocks surveyed by Leeb, at the moment only 26 get through his strict 20-10-10 screen. Not surprisingly, Leeb suspects that at least 80% of them will outperform the market over the next 18 months. While the market's average stock presently sells for around 9 times earnings, Loews, for example, is priced at a little more than 5 times earnings. And if 1982 estimates are correct, the company is priced at less than 5 times future earnings.

How have 20-10-10 selections fared in the past? A group of like stocks chosen in May 1980 appreciated an average of 62%, while the Dow gained only 24% and the NYSE index 29%. If the stocks below rack up results similar to those of the 1980 list, we will return with a follow-up report.

Just add money, buy—and cross your fingers

The table below lists 26 stocks with an average five-year earnings growth rate of 20% or better, a projected two-year future growth rate of at least 10% and a price/earnings ratio of 10 or less. As an added bonus almost a third of these shares sell at close to book value.

Company[1]/principal business	Recent price	5-year growth rate	Estimated 2-year growth rate	Latest 12-month earnings per share	Price/earnings ratio latest 12 months	Price/earnings ratio estimated 1982 earnings	Indicated yield	Book value per share
Albany International/machinery	32½	32%	14%	$3.52	9.2	6.5	3.7%	$27.02
Ames Department Stores/retail	31¼	22	20	3.65	8.7	6.1	1.9	22.60
Bairnco[2]/building	13⅝	33	15	2.34	5.8	5.0	2.9	7.81
Bangor Punta/aerospace	25⅝	24	20	4.02	6.4	5.1	3.1	17.31
Barnes Group/auto parts	23⅜	23	14	3.18	7.4	4.9	4.2	18.54
Brown Group/footwear, mfg and retail	41⅜	22	10	6.36	6.5	5.5	5.1	41.43
Control Data/computer equipment	73¾	36	12	8.49	8.7	6.7	1.2	76.69
Crum & Forster/insurance	35⅞	41	11	5.79	6.2	5.4	4.0	30.44
Golden West Financial/bank holding	11⅝	22	26	1.81	6.4	3.9	3.3	10.25
Guardian Industries/glass mfg	17⅞	24	20	1.95	9.2	6.6	1.8	8.23
Honeywell/computer equipment	85	24	10	12.83	6.6	5.9	3.5	79.51
INA Corp/insurance holding	46½	33	10	7.15	6.5	5.5	5.2	44.48
Interpublic Group/advertising	35⅛	20	20	4.27	8.2	5.2	4.6	24.45
Lear Siegler/aerospace	37⅝	23	16	4.45	8.5	6.4	3.7	18.00
Loews/multicompany	106⅜	33	14	20.55	5.2	4.8	1.1	82.91
RH Macy/retail	64	21	13	7.08	9.0	7.9	2.7	37.41
Martin Marietta/aerospace	68⅞	25	11	7.75	8.9	7.3	3.7	41.79
Mission Insurance Group/insur holding	46¼	50	18	5.32	8.7	6.0	2.2	21.29
NCR/office equipment	62⅞	31	10	9.57	6.6	5.4	3.5	58.83
Oneida/metal fabricating	26¼	49	15	3.28	8.0	6.3	2.4	12.99
Palm Beach/apparel	26⅜	25	31	3.94	6.7	4.3	4.5	17.22
SPS Technologies/fasteners	33¼	50	16	4.70	7.1	5.2	2.2	22.12
LS Starrett/machine tools	32½	24	16	3.71	8.8	7.3	2.7	16.57
United Energy Resources/natural gas	42¼	25	12	6.78	6.2	5.3	4.5	25.96
US Home/building	27⅞	40	15	3.20	8.7	6.2	2.6	16.11
Walgreen/drugstores	51½	29	18	5.52	9.3	6.6	3.4	29.78

[1]All companies listed on the New York Stock Exchange. [2]Formerly Keene Corp. *Source:* Investment Strategist.

NOTE

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